



HOUSE OF REPRESENTATIVES

HB 2238

insurance; identity theft group policies
Prime Sponsor: Representative Fann, LD 1

X Committee on Insurance

Caucus and COW

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OVERVIEW

HB 2238 establishes parameters for Identity Theft Group Insurance Policies (ITGIP).

PROVISIONS

ITGIP: Eligible Groups

1. Allows an insurer to sell ITGIP in this state, which must cover losses and expenses incurred due to a stolen identity event.
2. Permits an insurer to sell ITGIP to the following:
 - a. An employer or employer's trustee.
 - b. A labor union or labor union's trustee.
 - c. A trustee of a trust established by multiple employers or labor unions.
 - d. A sponsor.
 - e. An association or an association's trustees where members have the same occupation and have been in existence for at least two years.
 - f. A business that sells services related to stolen identity events.
 - g. A business or association that possesses personal identification information.
 - h. Any other entity that the director of the Department of Insurance determines is engaged in a common enterprise or has an economic or social relationship and the issuance of the policy would not be contrary to public interests.
3. States the eligible groups must consist of natural persons and may include an immediate family and household member.
4. Directs an insurer to treat all eligible groups of the same class in a like manner, with exception to businesses that sell products related to stolen identity events.

ITGIP: Premium and Cancellation

5. States the group policyholder may pay the premium for ITGIP from monies contributed:
 - a. Wholly by the group policyholder,
 - b. Wholly by the group members, or
 - c. Jointly by the group policyholder and members.
 - Requires the policyholder to pay the premium for policies for businesses that possess personal identification information.
6. Enumerates the cancellation, nonrenewal, or conditional renewal of coverage requirements.
7. Authorizes a group policyholder to cancel a policy for any reason provided the insurer and each affected group member receives a 30 days' written notice.

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8. Stipulates a group policyholder is not required to give a notice if substantially similar coverage is obtained from another insurer without a lapse of coverage.
9. Stipulates a group member that sustains an identity theft loss prior to the effective date of the cancellation, nonrenewal, conditional renewal of a policy or certificate, the loss is covered under the policy.

Miscellaneous

10. Defines pertinent terms.
11. Exempts the Department of Insurance from rulemaking for one year after the enactment date.